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TO RUEHC/SECSTATE WASHDC 5233
INFO RUEHAC/AMEMBASSY ASUNCION 4076
RUEHBO/AMEMBASSY BOGOTA 2489
RUEHBU/AMEMBASSY BUENOS AIRES 1589
RUEHBR/AMEMBASSY BRASILIA 1008
RUEHCV/AMEMBASSY CARACAS 2174
RUEHPE/AMEMBASSY LIMA 6288
RUEHMN/AMEMBASSY MONTEVIDEO 4489
RUEHQT/AMEMBASSY QUITO 2497
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC

UNCLAS SANTIAGO 000672

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STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

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SUBJECT: CHILE MEDIA REPORT -- JULY 16-17, 2009

Leading Stories

1. Secretary Hillary Clinton's letter to Chile's Foreign Minister regarding OAS Secretary General Jose Miguel Insulza's candidacy for reelection garnered front-page headlines in Chilean dailies. High importance was also given to the agreement reached by the opposition and the government coalition in the Chamber of Deputies over the distribution of the controversial morning-after pill; and the cost of the Santiago public transportation system that will amount \$5 billion dollars through year 2014.

Chile-U.S. and Insulza

2. Local newspapers reported on Secretary Hillary Clinton's response to Chilean Foreign Minister Mariano Fernandez's June 22 letter providing different readings to the text:

3. "United States to Consider Insulza's Performance(Before)Supporting His OAS Reelection" In a letter submitted Wednesday by the U.S. Embassy in Chile to Foreign Minister Mariano Fernandez there is a note explaining that "there will not be a signed original document" and that the text only includes a transcript of the letter sent by Secretary Hillary Clinton. Reportedly, in past months the ties between the White House and Insulza have been under tension. Washington does not view positively Chile's former minister's insistence on raising the subject of reincorporating Cuba into the OAS. The White House also does not assess positively Insulza's role in the crisis in Honduras.

Foreign Minister Fernandez said that the letter is "very positive." In a different reading, the Chairman of the Foreign Relations Committee at the Chamber of the Deputies, Jorge Tarud, noted that "the letter does not represent a sign or expression of support but rather an official response that is used [in diplomacy] in these cases." (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 7/17)

4. "United States Says It Has Not Decided Over Insulza's OAS Reelection" In a letter submitted to Foreign Minister Mariano Fernandez, Secretary of State Hillary Clinton said that her country "will give careful consideration" to Jose Miguel Insulza's candidacy, thus dismissing a press report about an alleged U.S. veto to Insulza's running for reelection. Foreign Minister Fernandez interpreted the note "as positive." "It confirms the vision we had," he said. (La Tercera, conservative, independent, circ. 101,000, 7/17)

5. "OAS: United States Rules Out Veto on Insulza's Reelection" It was a complicated week. In spite of La Moneda's calm over Jose

Miguel Insulza's running for reelection at the Organization of American States (OAS), the false version about the United States' not giving its support to the Secretary General disturbed the government, prompting its dismissal of the thesis. The wording chosen by the Secretary of State confirmed the falseness of the press report that mentioned an alleged phone conversation between the Secretary and President Bachelet in which she purportedly communicated the U.S.' decision not to support Insulza. La Moneda interpreted Secretary Clinton's letter as a positive reaction to Insulza's candidacy to continue heading the OAS. Minister Secretary General of the Government Carolina Toha noted that "the United States has not determined yet its stance and we feel confident and expect that there will be great support for Jose Miguel Insulza's (candidacy) for reelection." (Government-owned, editorially independent La Nacion, 7/17)

¶6. "Hillary Clinton Supports Insulza's Reelection to OAS" (Diario Financiero, business, daily, circ. 30,000, 7/17)

Chile-U.S.

¶7. Finance Minister Andres Velasco headed a delegation of representatives from Chile's public and private sectors to participate in the two-day program in connection with the so-called "Chile Day" activities in New York City. This is the first time that government officials take part in this business program that seeks to promote new foreign investments in Chile. Minister Velasco is scheduled to ring today (7/17) the opening bell at the NYSE in Wall Street. (El Mercurio, La Tercera, 7/17)

Chile-Other Countries

¶8. Chile's Secretary General of the Presidency Jose Antonio Viera-Gallo headed the Chilean delegation to the Summit of Non-Aligned Countries that took place in Cairo. Viera-Gallo voiced his discontent over the participation of President of Sudan Omar Hasan Ahmad Al Bashir. When Al Bashir took the floor, Viera-Gallo left the room. (La Segunda, conservative, afternoon, circ. 33,000, 7/17)

Obama-Africa

¶9. Editorial: "Obama and Africa": "No President from any other developed country could have made Obama's speech in Ghana without provoking sensitivities... It is time for Africans to advance via their own efforts, which, by the way, is the only way to do so, and, hopefully, Obama's speech will be the encouragement needed for that to happen." (El Mercurio, 7/17)

URBAN